

The Honorable Joseph R. Wright, Jr.
Deputy Director
Office of Management and Budget
Washington, D.C. 20503

Dear Joe:

I am concerned that the CIA may be losing a good opportunity to present an effective case for its retirement needs during the present hearings on S. 1527 while OMB reviews our draft legislation and our comments to Chairman Roth on S. 1527.

Consequently, I have sent Bill Roth the enclosed letter, with copies to Ted Stevens, Dave Durenberger, Lee Hamilton and Bill Ford. I cannot in good conscience let Congress debate S. 1527 which does not mention CIA but may affect us, without at least letting Congress know that we exist and need to be kept in mind as they move toward reforming the retirement system.

We now need your guidance as to how to approach Congress with a suitable plan for a CIA administered retirement program which has Administration approval. Please give this your consideration.

Sincerely,

William J. Casey
Director of Central Intelligence

TRANSMITTAL SLIP		DATE
TO:		
ROOM NO.	BUILDING	
REMARKS:		
<p><i>The attached data provided by Ed Huelskamp on 7/19/85.</i></p> <hr/> <p><i>Cynthia - File in our "Cost Estimates" file</i></p>		
FROM:		
ROOM NO.	BUILDING	EXTENSION

7/19/85

COST OF PROPOSED RETIREMENT LEGISLATION

	<u>Employees Hired Prior to 1 Jan 84</u>	<u>Employees Hired On Or After 1 Jan 84</u>
Aggregate Cost of Current CIARDS & CSRS	34%	----
Aggregate Cost of Proposed Legislation	39.5%	39.8%

OPTIONS FOR REDUCING COST OF PROPOSED RETIREMENT LEGISLATION

1) Reduce Cost-of-Living Adjustments from Full to 2/3 COLA	-5%	Same
2) Increase Employee Contribution for 7% to 9%	-2%	Same
3) High-3 to High-5	-2%	Same
4) Eliminate Thrift Plan Option	-1.8%	Same
5) Eliminate 2 1/2% for Overseas Service	-3.8%	Same
6) Impose a 2% Reduction for Each Year of Retirement Under Age 55 for CIARDS & Age 60 for CSRS	-4%	Same

Chart 1

Legislation Cost Data

Pre-1984 Employees

	<u>Cost Current</u>	<u>2 1/2% Overseas Service</u>	<u>Thrift Plan (50% Matching Empl Cont Up to 6%</u>	<u>Social Security</u>	<u>Total</u>
CIARDS	41%	+6.4%	+2%		49.4%
CSRS	<u>25%</u>	+ .4%	+1.4%		<u>26.8%</u>
Aggregate*	34%				<u>39.5%</u>

Post 1983 Employees

CIARDS	36.3%	+6.4%	+2%	+5%	49.7%
CSRS	<u>19.6%</u>	+ .4%	+1.4%	+5.9%	<u>27.3%</u>
Aggregate*	29%				<u>39.8%</u>

* Aggregate Computed .56 X CIARDS
.44 X CSRS
Total

1. Aggregate Costs
Current CIARDS $41\% \times .56 = 22.96$
Current CSRS $25\% \times .44 = \underline{11.00}$
 $33.96 = 34\%$
2. Aggregate Costs of Proposal
Plan for Employees Hired
Before 1 Jan 1984) $49.4 \times .56 = 27.66$
(Current CIARDS & CSRS w/
2 1/2% for Overseas Service $26.8 \times .44 = \underline{11.79}$
& a Voluntary Thrift Plan) $39.45 = 39.5\%$
3. Aggregate Cost of Supplemental
Plan for Employees Hired After
1 Jan 1984 w/Benefits Equivalent $49.7 \times .56 = 27.83$
to Proposed Plan for Pre-1984 $27.3 \times .44 = \underline{12.01}$
Employees $39.84 = 39.8$

Page Denied

Next 1 Page(s) In Document Denied